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SECURITY INFORMATION

26 January 1952

MEMORANDUM FOR: Army Member, NIS Committee

FROM : Vice Chairman, NIS Committee

SUBJECT : CIA Fiscal Support of the NIS Staff in the Department of the Army

1. This will confirm information given to you orally relative to the above subject.

2. The Chairman, NIS Committee, acting upon your request, prepared a staff study for the Director of Central Intelligence, dated 28 November 1951, wherein it was recommended that the Assistant Chief of Staff, G-2, be given formal notification that CIA was favorably disposed to extending fiscal support for the NIS Staff maintained by the Department of the Army. Informal coordination during the preparation of this study indicated that favorable action upon the proposal, and early determination of the extent of fiscal support required, might permit inclusion of the necessary estimates in the CIA budget for Fiscal Year 1953, and the study was prepared accordingly.

3. The study was forwarded for necessary coordination with the other CIA offices concerned. On 4 December 1951, the Chief, Budget Division, CIA, discussed the proposal with a representative of the Bureau of the Budget who advised that it was too late to reflect the proposal in the budget for Fiscal Year 1953, inasmuch as both the CIA and the Department of the Army budget estimates had progressed too far in the final mark-up stage. In view of this development the study was not presented to the Director of Central Intelligence. The Budget Division, CIA, returned the study to this office with the recommendation that it be revised and resubmitted before the end of the current fiscal year so that any decisions on the proposal could be reflected in the initial development of the estimates for Fiscal Year 1954. Present plans are to resubmit the proposal as recommended.

4. In the discussions held by the Chief, Budget Division, CIA, with the representative of the Bureau of the Budget, the latter raised a question as to whether or not the Department of the Army would not still be limited by the over-all ceiling placed by the Department of Defense upon civilian personnel even though funds are provided by CIA. He stated that it was his understanding that the ceilings applied regardless of source of funds. Clarification of this point can undoubtedly be obtained from appropriate authorities within the Department of the Army.

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5. CIA is not extending fiscal support for the NIS Program to any of the Department of Defense Agencies at this time. It has been suggested, therefore, that consideration be given to making the proposal relative to CIA fiscal support applicable to Army, Navy, and Air Force, rather than to Army alone. As you will recall, the Navy and Air Force members of the NIS Committee indicated that their agencies did not wish to join with Army in requesting that consideration be given to providing CIA fiscal support for NIS activities in fiscal year 1953. The subject will be reopened on the NIS Committee, however, in order to give the Navy and Air Force members an opportunity to determine the position of their agencies in this matter with respect to Fiscal Year 1954.

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